Ministry of Transportation and Infrastructure

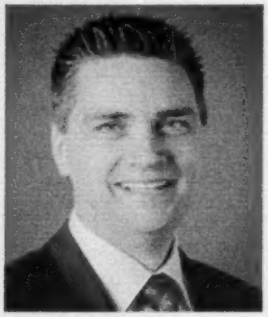
2014/15
ANNUAL SERVICE PLAN REPORT

For more information on how to contact the British Columbia
Ministry of Transportation and Infrastructure
see Ministry Contact Information on Page 23 or contact:

Ministry of Transportation and Infrastructure
PO Box 9850
STN PROV GOVT
VICTORIA BC
V8W 9T5

or visit our website at
www.gov.bc.ca/tran/

Minister's Message and Accountability Statement



It is with pleasure that I present the *Ministry of Transportation and Infrastructure 2014/15 Annual Service Plan Report*, which, in accordance with the *Budget Transparency and Accountability Act*, provides a summary of our performance and highlights various achievements from the year ending March 31, 2015. It also reports on the important transportation priorities listed in my 2013 Mandate Letter, to show our progress on commitments made to British Columbians.

Moving people and goods safely and reliably, growing the economy and connecting and strengthening communities remain the Ministry's priority and in the fall of 2014 we asked British Columbians what transportation investments were most important to them. We consulted with members of the public, First Nations, local governments, port and airport authorities, chambers of commerce and other interested stakeholders, and used the feedback provided through this ambitious engagement process to develop our 10-year transportation plan, B.C. on the Move. Released in March, 2015, this plan sets out our transportation investment priorities and will ensure we use every dollar we invest in the best way possible.

The *Ministry of Transportation and Infrastructure 2014/15 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2014/15 - 2016/17 Service Plan.* I am accountable for those results as reported.

Honourable Todd G. Stone
Minister of Transportation and Infrastructure
June 25, 2015

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Purpose of the Ministry

The Ministry of Transportation and Infrastructure plans transportation networks, provides transportation services and infrastructure, develops and implements transportation policies, and administers many related acts and regulations as well as federal-provincial funding programs, including the Building Canada Fund. The Ministry opens up B.C. through innovative, forward-thinking transportation strategies that move people and goods safely and fuel our provincial economy. Improvement of vital infrastructure is a key goal, along with enhancing the competitiveness of B.C.'s transportation industries, reducing transportation-related greenhouse gas emissions and providing B.C. with a safe and reliable highway system.

The Minister is responsible for the following Crown corporations: BC Transportation Financing Authority, BC Railway Company, BC Transit, the Transportation Investment Corporation, the Insurance Corporation of British Columbia, the B.C. Pavilion Corporation and the Rapid Transit Project 2000 Ltd. The BC Transportation Financing Authority and BC Railway Company are reported in this service plan.

- BC Transportation Financing Authority (BCTFA) is established under the *Transportation Act* to plan, acquire, construct, hold, improve and operate transportation infrastructure throughout the province. The BCTFA owns all provincial highways and land held for construction of future transportation infrastructure.
- The BC Railway Company (BCRC) is incorporated under the *British Columbia Railway Act* and supports the *Pacific Gateway Transportation Strategy 2012–2020* by acquiring and holding railway corridor and strategic port lands, and making related infrastructure investments to benefit the province, including the strategic sale of surplus land. BCRC also administers the Canadian National Railway Company (CN Rail) Revitalization Agreement and operates the Roberts Bank port subdivision.

Rapid Transit Project 2000 Ltd. has completed its mandate to build the Millennium Line and concluded direct project activities in 2006. The Ministry is responsible for any continuing Rapid Transit Project 2000 Ltd. administration and financial reporting. On May 14, 2015, Bill-2, *BC Transportation Financing Authority Transit Assets and Liabilities Act*, was granted Royal Assent, effective May 21, 2015. The Bill will result in the transfer of all assets and liabilities of Rapid Transit Project 2000 Ltd. to the BC Transportation Financing Authority.

Strategic Direction and Context

Strategic Direction

The Ministry of Transportation and Infrastructure makes strategic investments in British Columbia's transportation infrastructure to create a safer, more reliable transportation network, provide good value and service for taxpayers and create economic opportunities for the province. The Ministry's *2014/15 – Annual Report* outlines our efforts to support the government's goals of a strong economy and ensuring the best possible use of government resources, to respect the interests of taxpayers as set out in the Mandate Letter provided by the Premier and the *Taxpayer Accountability Principles*. Appendix D on page 27, shows how the Ministry is meeting its commitment to taxpayers by continuing to deliver a wide range of projects across the province on-time and on-budget.

In response to evolving transportation needs, in 2014 the Ministry developed B.C. on the Move, a comprehensive plan for transportation investments and strategic policy actions for the next 10 years. B.C. on the Move will enhance the province's safety, mobility and connectivity and allow us to keep pace with our rapidly expanding resource sectors while ensuring transportation improvements remain affordable.

Strategic Context

Economic Forecast. British Columbia's real GDP increased by 2.6 per cent in 2014 (according to preliminary GDP by industry data from Statistics Canada), following growth of 1.9 per cent in 2013. Strong retail sales growth was partly driven by increased tourism and interprovincial migration, while continued low interest rates supported housing starts growth. Despite unbalanced external demand, B.C. exports and manufacturing shipments posted notable gains. Meanwhile, employment in B.C. increased modestly. Several risks to British Columbia's economy remain, including potential slowdown in domestic and U.S. activity, ongoing fragility in Europe, and slower than anticipated Asian demand, particularly in China. Additional risks include a fluctuating Canadian dollar and weak inflation, in part due to lower oil prices.

Federal Infrastructure Programs. In 2014/15, approximately $73.4 million in federal funding was secured for highway improvement projects in the province. Economic Action Plan 2013 provided $47.475 billion nationally in new federal funding over 10 years, commencing in 2014/15, through three programs: a $32.2-billion Community Infrastructure Fund, a $14-billion Building Canada Fund and a renewed $1.25-billion P3 Canada Fund. The Ministry continues to pursue funding through these programs and this may influence programs proposed under the next Service Plan.

Growth and Facilitation of Asia-Pacific Trade. The *Pacific Gateway Transportation Strategy 2012-2020* identified $25 billion in total investment which will improve and expand port, rail, road and airport facilities and build on B.C.'s status as the preferred gateway for Asia-Pacific trade. At the end of 2014, $15 billion had been committed to projects to increase capacity of the Pacific Gateway. New West Partnership premiers met in November 2014, and agreed to work towards a vision of an integrated and collaborative transportation system. This vision is being implemented through a 10 Point Action Plan carried out by the Pacific Gateway Alliance.

A resurgence in the U.S. economy, combined with labour instability at West Coast ports resulted in increased imports and exports flowing through container terminals in B.C. The 2014 Joint Action Plan and the newly created Office of the Independent Container Trucking Commissioner, secures fair

compensation for truckers, safeguarding port trucking labour stability at Port Metro Vancouver to ensure Canada's busiest port remains open.

Regional Economies. B.C.'s rural economies rely on a range of infrastructure improvements to facilitate increased natural resource development as industrial traffic places significant demands on existing transportation infrastructure. To support these activities and ensure roads remain suitable for all users, the Ministry makes additional investments in affected road networks, including maintenance and rehabilitation due to incremental wear and tear.

Goals, Objectives, Strategies and Performance Results

The Ministry of Transportation and Infrastructure promotes economic growth and diversification in support of Government's priority of creating jobs to secure a strong tomorrow for communities across the province. Our integrated transportation network is the backbone of B.C.'s economy and investing in safe and reliable infrastructure makes our transportation industries globally competitive and positions them to support the movement of people and goods. The Ministry invests in transit, cycling and walking infrastructure in support of Government's continued commitment to giving British Columbians sustainable transportation options.

To accomplish its mandate, the Ministry of Transportation and Infrastructure has the following goals:

- Improved infrastructure drives economic growth and trade;
- British Columbia's transportation sector is globally competitive;
- Greenhouse gas emissions from the transportation sector are reduced;
- British Columbia's highway system is safe and reliable; and
- Excellent customer service.

Goal 1: Improved infrastructure drives economic growth and trade

Objective 1.1: Improve mobility on routes servicing major economic gateways

Strategies

- Undertake improvements that reduce bottlenecks on major urban and rural trade corridors;
- Promote efficiencies at Canada/U.S. border crossings through infrastructure improvements and the deployment of intelligent transportation technology to reduce border wait times; and
- Use the Regional Transportation Management Centre to improve mobility and reliability on the transportation network through advanced incident management and information systems.

Objective 1.2: Identify and select priority improvement projects

Strategies

- Identify key safety and mobility improvements to enhance the movement of people and goods;
- Develop, evaluate, prioritize and build business cases for improvement options; and
- Program priorities into the integrated investment plan.

Objective 1.3: Use Provincial investment dollars as effectively as possible

Strategies

- Leverage all available federal infrastructure funding and fulfill obligations under Federal Contribution Agreements;
- Facilitate the most efficient project delivery methodology; and
- Complete projects on budget and on time.

Performance Measure 1: Project performance

Performance Measure	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Percentage of projects that meet their budget and schedule	93.2%	96.5%	91.5%	93.2%	91.5%	91.5%	91.5%

Data Source: Ministry of Transportation and Infrastructure.

Discussion

This performance measure reflects the goal of being cost conscious, as outlined in the Taxpayer Accountability Principles, and evaluates all Ministry capital construction and rehabilitation projects completed each year within the overall Transportation Investment Plan. The number and total value of these projects varies from year-to-year as new investments are made, and the Ministry assesses how efficiently and effectively it delivers them. Projects range in size, scope, and value and use a variety of procurement methods. Programs continuously evolve to meet the needs of the infrastructure and best serve the citizens of the province. The constant target represents the Ministry's ability to maintain a high level of achievement across its broad range of projects.

Objective 1.4: Improve access for resource industries and rural residents

Strategies

- Invest in priority rehabilitation and improvement projects on roads serving industry and rural residents; and
- Undertake projects that support increased industrial growth, such as four-laning, strengthening of roadways and improving overhead clearances, alignments and bridge capacity.

Objective 1.5: Leverage available federal funding and administer cost-sharing programs to support and sustain B.C.'s infrastructure

Strategies

- Lead negotiations for the next round of federal/provincial infrastructure programs; and
- Take a leadership position in partnership with other Provincial Ministries to support local government's priority infrastructure projects.

Goal 2: British Columbia's transportation sector is globally competitive

Objective 2.1: Develop Canada's Pacific Gateway

Strategies

- Implement *The Pacific Gateway Transportation Strategy 2012–2020: Moving Goods and People;*
- Work closely with other levels of government and stakeholders to achieve the objectives of the updated *Pacific Gateway Transportation Strategy*;
- Undertake supply chain development and integration in conjunction with the private sector and the Government of Canada, especially for new markets and customers;
- Ensure transportation infrastructure and supply chain performance standards are in place to meet Asian import and Canadian export needs; and
- Provide leadership through the Pacific Gateway Alliance, a unique collaboration of transportation service providers and governments which oversees infrastructure, labour and service reliability improvements aimed at expanding Canada's Pacific Gateway trade.

Performance Measure 2: Pacific Gateway Supply Chain Investments

Performance Measure	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Cumulative completed provincial strategic investment in Pacific Gateway supply chain infrastructure ($billions).	$4.46 billion	$5.41 billion	$5.68 billion	$5.68 billion	$5.77 billion	$5.83 billion	$6.56 billion

Discussion

Government and industry partners have come together to fulfill the long-term vision of British Columbia as the preferred gateway for Asia Pacific trade. Government and industry partners have come together to fulfill the long-term vision of British Columbia as the preferred North American gateway for Asia Pacific trade.

Through British Columbia's Pacific Gateway Strategy, the Ministry and its private and public partners have outlined the investments necessary to ensure our transportation system can support growth across our economy and seize the opportunities emerging in Asia. The Pacific Gateway Alliance is the unique public-private partnership that oversees the Pacific Gateway's expansion of port, rail, road and airport facilities to take advantage of Canada's strategic location at the crossroads of the North American marketplace and the booming economies of Asia.

Since the Province has direct control over its strategic investments, total investment is a measure of the Province's action to meet its Pacific Gateway objectives. Since 2005, the public and private sectors have committed over $22 billion to projects that support the Pacific Gateway. The Province committed over $5.4 billion; the federal government committed $1.6 billion in funding; local governments committed approximately $1 billion and the private sector committed to investing $13.7 billion in key infrastructure projects.

In 2014, the key strategic investments to complete were the Roberts Bank Rail Corridor program, a series of road/rail overpasses that will help to ease road traffic congestion while improving safety, efficiency, and rail capacity through the City of Surrey, the City of Langley and the Township of Langley.

The performance measure tracks the cumulative amount of completed provincial investment in Pacific Gateway transportation supply chain infrastructure. In the year of completion, the provincial contribution to total project cost is added to the total of all provincial spending on Pacific Gateway infrastructure since 2005.

Goal 3: Greenhouse gas emissions from the transportation sector are reduced

Objective 3.1: Increase the use of transit, cycling and other alternative modes of personal transportation

Strategies

- Build a rapid transit backbone and supportive rapid, frequent bus service to create rider options;
- Invest in public transit infrastructure;
- Improve High Occupancy Vehicle and transit priority measures;
- Encourage increased land-use density around transit stations and along transit corridors through policy and funding agreements; and
- Invest in an integrated cycling and walking network.

Performance Measure 3: Transit Ridership

Performance Measure	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Annual public transit ridership in B.C.	287 million	283 million	294 million	287 million	297 million	298 million	298 million

Data Source: Estimates for future public transit ridership are provided by BC Transit and TransLink.

Discussion

The *Provincial Transit Plan's* goal of doubling ridership by 2020 was established based on a 2007/08 baseline of 219.5 million revenue transit trips. This goal includes ridership data from both TransLink, Metro Vancouver's regional Transportation Authority, and BC Transit, who operates transit service in the rest of the province. From 2007/08 to 2014/15, overall provincial transit ridership increased 30.8%, an annual average of 3.9%. This is below the roughly 5.5% annual growth rate required to meet the PTP target of doubling ridership by 2020. Provincial transit ridership has been relatively flat over the past three years, which is likely due to minimal change in service levels. Ridership in 2014/15 was below target due to lost ridership as a result of public school closures in the Fall and lower fuel prices experienced over the period. The Evergreen Line will boost ridership in 2016/17 when open for use.

Objective 3.2: Improve supply chain efficiency for the movement of goods

Strategies

- Reduce commercial truck idling by minimizing wait times;
- Improve rural road infrastructure;
- Build rail grade separations; and
- Free up road capacity for goods movement by reducing the use of single-occupant vehicles.

Objective 3.3: Reduce greenhouse gas emissions through the adoption of new technologies and promote the use of natural gas as a transportation fuel of choice

Strategies

- Invest in new buses that use the latest technology;
- Increase the use of weigh-in-motion technology to reduce the need for trucks to stop and idle at inspection stations;
- Implement intelligent traffic control systems to reduce idling and create time benefits for transit; and
- Promote the use of natural gas as the fuel of choice for heavy duty commercial vehicles.

Goal 4: British Columbia's highway system is safe and reliable

Objective 4.1: Ensure a high standard of provincial highway maintenance

Strategies

- Consider future improvements to continue delivery of high quality maintenance and rehabilitation programs; and
- Administer highway maintenance contracts and assess service delivery through the Contractor Assessment Program.

Performance Measure 4: Contractor Assessment

Performance Measure	Baseline	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Rating of the maintenance contractors' performance	93%	94%	94%	93%	94%	93%	93%	93%

Discussion

The Contractor Assessment Program allows the Ministry to systematically monitor and assess the performance of our contractors, which aligns with the goal of Accountability from the Taxpayer Accountability Principles. Contractor ratings are generated through three processes: a local assessment by Ministry District staff overseen by the local District Operations Manager; a regional assessment by a team of auditors from outside the service area, typically overseen by an outside

District Operations Manager; and interviews led by the local District Operations Manager with local stakeholders. The Contractor Assessment Program Manual is available on the Ministry's website.

Objective 4.2: Rehabilitate the highway system on a lowest life-cycle cost basis

Strategies

- Invest in the main highway system (roads and bridges) to maintain and mitigate the onset of deterioration and maximize the return on infrastructure investment;
- Systematically assess the condition of infrastructure to determine priority in the annual resurfacing and infrastructure rehabilitation and replacement programs; and
- Integrate climate change adaptation considerations into rehabilitation design and cost.

Objective 4.3: Improve highway safety and reliability

Strategies

- Monitor highway safety and undertake improvements at high-risk locations in consultation with local and regional authorities and stakeholders;
- Maximize highway safety and reliability through both safety-focused enhancements and low-cost improvements such as signs, lighting and lane markings;
- Work with safety partners, such as the Insurance Corporation of British Columbia, local law-enforcement and the Ministry of Justice, to identify areas for safety improvements; and
- Examine highway safety and reliability issues considering climate forecasts and the adaptive capacity of transportation infrastructure. Address and revise standards where appropriate from results of studies on climate and highway infrastructure interactions.

Performance Measure 5: Highway Safety

Performance Measure	Baseline	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Crash reduction after safety improvements	100 collisions	30% reduction from baseline	22% reduction from baseline	20% reduction from baseline	24% reduction from baseline	20% reduction from baseline	TBD	TBD

Data Source: The RCMP and ICBC.

Discussion

The baseline of 100 crashes per year was calculated based on nine projects over the five year data period of 2005-2009. This pre-construction period was chosen due to superior data quality. Targets use collision prediction models and collision modification factors.

This performance measure compares the before and after crash reduction for completed safety improvement capital projects.

Objective 4.4: Provide effective road safety and enforcement, education and programs for the commercial transport industry

Strategies

- Establish and enforce regulations to enhance vehicle safety in B.C. and to ensure public safety;
- Participate with other jurisdictions on initiatives to coordinate and harmonize programs, policies and standards for commercial vehicles;
- Ensure information systems provide quality and timely commercial vehicle safety data for compliance and enforcement; and
- Build on existing technologies and policies to promote safety and improve efficiency for the commercial transport industry.

Goal 5: Excellent customer service

Objective 5.1: Continue to improve service levels provided to British Columbia's business community

Strategies

- Participate in cross-government integration of permitting processes;
- Streamline application and review processes for rural subdivisions; and
- Implement online application and tracking tools to support reduced turnaround times.

Objective 5.2: Provide excellent customer service to British Columbians

Strategies

- Use social media to communicate more efficiently with the Ministry's stakeholders and enhance customer service;
- Provide data and information to engage citizens and support open government;
- Undertake annual surveys of customer satisfaction and compare survey results with baseline data to ensure customer needs are met;
- Use survey results and public feedback to better understand customer expectations and levels of customer service provided through existing processes; and
- Evaluate results to determine how to adjust internal processes, procedures and communications to enable more rapid information exchanges within and between Ministry business units to deliver better customer service.

Performance Measure 6: Customer Service

Performance Measure	Baseline	2012/13 Actual	2013/14 Actual	2014/15 Target	2014/15 Actual	2015/16 Target	2016/17 Target	2017/18 Target
Customer Satisfaction Survey score out of 5.	3.9	4.14	4.18	4.10	4.15	4.10	4.10	4.10

Data Source: The Ministry's Customer Satisfaction Survey is based on the Common Measurement Tool (CMT), a survey framework designed by the Institute for Citizen-Centred Service to be administered by public-sector organizations to facilitate the measurement of citizen satisfaction.

Discussion

The Customer Satisfaction Survey is a web-based and in-person questionnaire. Respondents include local governments, commercial highway operators, permit applicants, emergency service providers, resource industries, highway construction and maintenance companies, professional and technical consultants, developers, resource industry, business groups, and the general public.

The customer satisfaction score is based on ratings of service received from the Ministry in the past 12 months. The survey questions focus on fairness, staff knowledge, timeliness, accessibility, staff courtesy, information and overall service quality. The Ministry uses survey results to identify potential service delivery improvements. The improved score from the 2014/15 target represents the Ministry's ability to consistently deliver high quality customer service.

Financial Report

Management Discussion and Analysis

The ministry has balanced its budget and controlled spending, resulting in a year end surplus of $593 thousand. The operating budget is managed by closely monitoring expenditures during the year. Funding increases for areas such as road and bridge maintenance contracts were funded through savings in areas such as travel and reduced professional services contracts. The ministry continues to work to find areas for further efficiencies. The amounts shown below are net of funding from external sources, primarily the BC Transportation Financing Authority.

Financial Report Summary Table

	Estimated	Other Authorizations[1]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Transportation and Infrastructure Improvements	11,042	-	11,042	11,727	685
Public Transportation	308,813	-	308,813	305,260	(3,553)
Highway Operations	472,172	-	472,172	475,314	3,142
Commercial Passenger Transportation Regulation	1,534	-	1,534	1,519	(15)
British Columbia Pavilion Corporation	8,992	-	8,992	8,992	-
Executive and Support Services	9,740	-	9,740	9,171	(569)
Sub-Total	**812,293**	-	**812,293**	**811,983**	**(310)**
Adjustment of Prior Year Accural[2]	-	-	-	(283)	(283)
Total	812,293	-	812,293	811,700	(593)
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Highway Operations	4,168	-	4,168	4,140	(28)
Total	**4,168**	-	**4,168**	**4,140**	**(28)**

[1] "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies.

[2] The Adjustment of Prior Year Accrual is a reversal of accruals in the previous year

B.C. Transportation Financing Authority

Statement of Operations

2014/15	Budget	Actual	Variance
Revenue ($000)			
Tax revenue[1]	429,000	422,695	(6,305)
Amortization of deferred contributions[2]	143,817	146,570	2,753
Other revenue[3]	77,925	37,973	(39,952)
Total	**650,742**	**607,238**	**(43,504)**
Expenses ($000)			
Highway operations	516,135	533,687	17,552
Transit programs	126,367	81,399	(47,968)
Ferry operations	14,846	14,859	13
Other programs	49,655	24,895	(24,760)
Debt servicing costs[4]	335,710	333,281	(2,429)
Total	**1,045,713**	**988,121**	**(57,592)**
Net Loss ($000)			
Net operating loss	**(394,971)**	**(380,883)**	**(14,088)**

1 Tax revenue includes 6.75 cents per litre motor fuel tax and a car rental tax of $1.50 per car rental day.

2 Contributions towards capital assets are deferred and amortized to revenue at the same rate as the related highway infrastructure is amortized to expense.

3 Other revenue includes interest income, grants from the Province, property sales, rental revenue, and earnings from British Columbia Railway Company.

4 Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, related interest costs are expensed.

Major Capital Projects

Kicking Horse Canyon

Objective: Upgrade the 26-kilometre section of the Trans-Canada Highway from the junction of Highway 95 at Golden to the western boundary of Yoho National Park to a modern, four-lane standard. This portion of the Trans-Canada Highway serves as a gateway between British Columbia and the rest of North America, connecting resource extraction sites with processing, manufacturing, and distribution centres, and is a key part of the province's resource economies, particularly forestry and mining, tourism and inter-provincial trade. The first three phases have been completed and are now in operation. The project is now in its fourth phase and the province is pursuing federal partnership funding to enable completion of this final phase. More information about the project can be found at www.th.gov.bc.ca/kickinghorse/.

Costs: The first three phases cost $327 million. The current estimate for Phase 4 is approximately $450 million.

Benefits:

- Safer, reliable roads and increased capacity on a critical provincial and national gateway;
- Economic development through increased tourism and efficient movement of goods and services.

Risks:

- Challenging climatic and geographic conditions; and
- Managing traffic during construction.

Evergreen Line Rapid Transit Project

Objective: The Evergreen Line will extend Metro Vancouver's rapid transit network to the growing northeast sector communities, providing alternative transit choices, increasing transit ridership and reducing greenhouse gas emissions and road congestion. Major construction began in early 2013. The Evergreen Line will open in fall 2016, providing rapid transit for the first time to the communities of Coquitlam and Port Moody, as well as the students of Douglas College. More information about the project can be found at evergreenline.gov.bc.ca.

Costs: Estimated project cost is $1.431 billion, with the government of Canada contributing up to $424 million, the government of B.C. contributing $586 million, other partners contributing $21 million, and TransLink contributing the remaining $400 million and operating the system as part of the overall rapid transit network.

Benefits:

- Provide fast, frequent and convenient service;
- Increase transit ridership and capacity, with 70,000 riders per day by 2021;
- Reduce traffic congestion;
- Support regional and municipal growth management plans; and
- Provide economic opportunities by creating 8,000 new jobs during construction.

Risks:

- Construction of a two-kilometre bored tunnel;
- Managing traffic during construction along busy urban commuter routes; and
- Construction through a developed urban area.

George Massey Tunnel Replacement Project

Objective: The George Massey Tunnel experiences significant congestion and delays. Without improvements, economic growth and regional livability will be constrained. The tunnel is being replaced with a bridge with dedicated HOV/transit lanes, a multi-use pathway for cyclists and pedestrians and related Highway 99 improvements. The project will help significantly resolve congestion, safety and reliability issues and improve transit service along the corridor. Construction is expected to begin in 2017. More project information is available at engage.gov.bc.ca/masseytunnel.

Costs: The Ministry is finalizing the project definition report, which will outline scope and costs and provide the basis for the next round of public consultation, and initiating the environmental assessment process. The Ministry will continue the technical analyses and assessment required to advance the project.

Benefits:

- Improved safety and reliability, with present-day seismic standards and fewer crashes;
- Reduced travel times and improved movement of people and goods on Highways 99 and 91;
- Improved opportunities for transit, HOV lanes, cyclists and pedestrians;
- Improved access to major trade gateways, industrial and local business areas, improved recreational opportunities, and improved access for local agricultural and residential communities; and
- Vehicle operating cost savings and reduced congestion and idling.

Risks:

- Construction on soft soils; and
- Maintaining traffic during construction for road and marine users.

Port Mann/Highway 1 Improvement Project

The Port Mann/Highway 1 Improvement Project has removed the worst traffic bottleneck in British Columbia, and cut travel times by up to an hour on one of the province's most critical economic corridors. The new Port Mann Bridge and 37 kilometres of Highway 1 improvements have allowed for the first reliable transit service over this crossing in 25 years and expanded the HOV network from Langley to Vancouver.

Construction of the bridge's final two lanes and dismantling of the original bridge is nearing completion. The new bridge is expected to be opened in its final 10-lane configuration later this summer. Dismantling of the old bridge will be ongoing until the end of 2015.

Transportation Investment Corporation (TI Corp) is responsible for the construction, operation, maintenance and project repayment through TReO, the automated and all-electronic toll system on the

Port Mann Bridge. As a provincial Crown corporation, TI Corp prepares its own service plan and annual service plan report, separate from the Ministry's, which can be found at: www.pmh1project.com/.

Transportation Investments

	2014/15 Expenditures ($ millions)
Provincial Investments:	
Transportation Investment Plan	
Rehabilitation	199
Interior and Rural Side Roads	56
Oil and Gas Rural Road Improvement Program	21
Mountain Pine Beetle Strategy	28
Highway 1 – Kamloops to Alberta Border	32
George Massey Tunnel Replacement Project	18
Okanagan Valley Corridor	30
Cariboo Connector Program	14
Other Highway Corridors and Programs	114
Cycling Infrastructure	3
Total Transportation Investment Plan	**515**
Provincial Transit Plan	
Canada Line Rapid Transit Project	19
Evergreen Line Rapid Transit Project	81
Rapid Transit, Buses and Other Transit Priorities	58
Total Provincial Transit Plan	**158**
Total Provincial Investment[1]	**673**
Investments funded through contributions from federal government and other partners:	
Evergreen Line Rapid Transit Project	253
Contributions to the Transportation Investment Plan	21
Contributions to the Provincial Transit Plan	0
Total investments funded through contributions	**274**
Total Investments in Transportation Infrastructure	**947**

[1] Total provincial investment includes operating and capital spending

Transportation Investment Corporation ($millions)	2014/15
Port Mann Highway 1 Project	76
Total Investments in Transportation Infrastructure including the Port Mann Highway 1 Project	**1,023**

Major Programs

Highway Rehabilitation – Invested $199 million in 2014/15 on main highways and bridge surfacing, bridge rehabilitation and replacement and seismic retrofits.

Side Roads Improvement Program –Invested $56 million in 2014/15 to make side roads safer and more reliable, and improve connections between communities.

Transit Investments – Building on the achievements of the 2008 Provincial Transit Plan, the Province invested $158 million in 2014/15 to increase transit ridership, reduce greenhouse gases, support sustainable communities and continue to support the increased adoption of cleaner-energy transit vehicles. This investment is in addition to the $98.196 million subsidy provided to BC Transit.

The Province continues to partner with BC Transit and TransLink on planning initiatives that will identify future transit priorities. In Metro Vancouver, the Ministry has worked with Elections BC to deliver a regional plebiscite on the Mayors' Council on Regional Transportation's proposal for a regional 0.5% sales tax to support funding for transportation and transit investments. Outside of the Lower Mainland, the ministry will work with local governments to build transit infrastructure that helps to provide more efficient operations and improved services, and will continue to seek opportunities to deploy CNG buses across B.C.

Mountain Pine Beetle Strategy – In 2014/15, the Ministry invested $28 million to facilitate the safe and efficient transportation of harvested mountain pine beetle killed timber, to repair damage done to the highway system by the extraordinary increase in heavy truck traffic and to help ensure that the goals and objectives of B.C.'s *Mountain Pine Beetle Action Plan* are met. This was the last year for the Mountain Pine Beetle Strategy Program.

Okanagan Corridor Improvements – In 2014/15, the Ministry invested $30 million to support trade and tourism, enhance safety, reduce congestion and support the use of transit in Okanagan Valley corridors.

Cariboo Connector Program – $14 million was spent through *the Cariboo Connector Program* in 2014/15 to continue to expand the 460-kilometre portion of Highway 97 from Cache Creek to Prince George. This major route expansion is designed to increase safety and decrease travel times, while providing northern communities with a first-class trade corridor that meets the needs of a rapidly expanding economy.

Phase 2 of the program continues with the completion of the designs for the Stone Creek to Williams Road and Quartz Road to Dragon Lake projects. These two projects will start construction in 2016. Design work on the final two projects of Phase 2, Carson to Fox Mountain Road and Williams Lake Indian Reserve to Lexington are underway. Once Phase 2 is complete, nearly 50% of the corridor will be either three or four lanes wide.

Other Highway Corridors and Programs – The Ministry continues to work with local governments and stakeholders to identify priority areas for improving the performance of highway corridors through projects such as passing lanes, four-laning, left-turn slots, realignments, intersection improvements and safety upgrades. In 2014/15, $114 million was invested in these types of upgrades. Specifically, the Ministry widened sections of Highway 2 and Highway 97 North near Dawson Creek and Fort St. John and Highway 3 between Hope and the Alberta border to support these important trade corridors. In addition, passing lanes were constructed on Highway 16 and Highway 5 north of

Kamloops to improve mobility and safety. Improvements in the Lower Mainland include a grade separation and intersection improvements along Highway 10 and road improvements on Highway 11 at Vye Road near the U.S. border, while improvements on the Vancouver Island include continued safety upgrades along the Malahat.

BikeBC – Through this program the Ministry identifies and builds cycling facilities of regional and provincial significance while continuing to assist local governments to develop their local cycling networks. BikeBC is a comprehensive provincial cycling investment program, which complements the *Provincial Transit Plan* in reducing traffic congestion and greenhouse gas emissions by providing convenient and attractive alternatives to car travel. Through the creation of cycling infrastructure, BikeBC supports *Canada Starts Here: The BC Jobs Plan* by providing safe and attractive facilities for commuters and tourists. BikeBC will also improve public health and fitness by promoting physical activity.

The Province invested $3.69 million in 20 communities for 22 projects last fiscal year in order to make cycling a safe and attractive alternative transportation option for commuters. BikeBC's investment is further leveraged through cost-sharing agreements with local governments. This will result in over $7.38 million in cycling infrastructure. Additionally, the Gateway Program includes a $50 million investment to construct cycling facilities on the Gateway corridors, and the Provincial Transit Plan will establish up to 1,000 new bike lockers at key locations by 2020.

Appendices

Appendix A: Ministry Contact Information

Website

www.gov.bc.ca/tran/

General Inquiries

Email: tran.webmaster@gov.bc.ca
Phone: 250 387-3198
Fax: 250 356-7706

Mailing Address

PO Box 9850 Stn Prov Govt
Victoria BC V8W 9T5
Canada

Regional Offices

South Coast Regional Office
1500 Woolridge Street, Suite 310
Coquitlam BC V3K 0B8
604 527-2221

Southern Interior Regional Office
447 Columbia Street
Kamloops BC V2C 2T3
250 828-4220

Northern Regional Office
1011 4th Avenue, Suite 213
Prince George BC V2L 3H9
250 565-6185

Appendix B: Hyperlinks to Additional Information

Additional information can be found online at the following:

Ministry of Transportation and Infrastructure

www.gov.bc.ca/tran

http://twitter.com/tranbc

www.drivebc.ca/

Legislation governing the Ministry's activities
www.th.gov.bc.ca/key_initiatives/legislation/statutes.htm

Evergreen Line Rapid Transit Project
www.evergreenline.gov.bc.ca/

George Massey Tunnel Replacement Project
http://engage.gov.bc.ca/masseytunnel/

Provincial Transit Plan
www.th.gov.bc.ca/transit_plan

Appendix C: List of Crowns, Agencies, Boards and Commissions

BC Railway Company
www.bcrco.com/

Transportation Investment Corporation and the Port Mann/Highway 1 Improvement Project
www.pmh1project.com/

BC Transit
www.bctransit.com/

The Insurance Corporation of British Columbia
www.icbc.com/

The British Columbia Pavilion Corporation
www.bcpavco.com/

British Columbia Transportation Finance Authority:
www.th.gov.bc.ca/publications/ministry_reporting/bctfa.htm

Appendix D – Minister's Mandate and Actions Summary

In the Premier's annual Mandate Letter to the Minister dated June 10, 2013, the Minister of Transportation and Infrastructure received direction on strategic priorities for the 2014/15 fiscal year. These priorities and the Ministry's resulting actions are summarized below:

Mandate Letter Direction	Ministry's Action
1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for British Columbia	All Major Capital Projects are on scheduled to be completed on-time and on-budget.
2. Complete the South Fraser Perimeter Road, Cariboo Connector and Kicking Horse Canyon projects on-time and on-budget	The South Fraser Perimeter Road was completed in December, 2013, on-time and on-budget.
3. Working with the Mayors' Council, develop improvements to the governance structure at TransLink and identify funding options to provide additional resources to fund transit in the Lower Mainland, while remembering that any new funding source would need approval from voters through a referendum no later than 2014 municipal election.	A plebiscite on a new transportation funding option for the Lower Mainland was conducted in Spring 2015. Results of the plebiscite are expected to be available in late June 2015.
4. Develop a Memorandum of Understanding with the Port of Prince Rupert for the development of LNG terminals in the Prince Rupert-Port Edward region.	Work continues in collaboration with the Port of Prince Rupert to ensure that transportation requirements, including port access, are in place to accommodate LNG development.
5. Develop and implement a Kitimat port structure and governance model in anticipation of a number of LNG marine terminals being sited on the Douglas Channel.	The Ministry is working collaboratively with the private sector, local government, the local First Nation and Transport Canada, through the Ministry-led Kitimat Port Management Working Group to develop a port management approach that will appropriately address the unique needs at the Port of Kitimat. Once a governance structure is agreed upon by all the parties implementation will follow.

6. Working with BC Ferries, implement the service and optimization and cost containment plan developed by the corporation and Ferry Commissioner	Strategic service reductions were implemented to generate $18.9 million in savings per year while protecting basic service levels for communities. BC Ferries is on track to exceed a target of over $54 million in efficiencies by 2016, and the Ferry Commissioner has challenged them to find an additional $27 million in efficiencies over Performance Term 4. BC Ferries is implementing efficiency measures like a new cable ferry for the Denman Island route, a new IT and reservation system, building three new dual-fuel vessels with liquid natural gas propulsion and converting the two Spirit Class ferries to realize cost savings which reduces the pressure on fares.
7. Continue the Crown Agency review at the Insurance Corporation of British Columbia and ensure ICBC returns to financial stability and sustainability.	The Ministry considers the actions outlined in the 2012 report to be substantially complete. As of June 2014, 19 of the 24 recommendations had been implemented. Following the government review, ICBC has achieved over $50 million in cost reductions from its 2011 budget. ICBC's net income forecast is showing an improvement over the 2014-16 Service Plan over the next three years.
8. Continue four-laning the Trans-Canada Highway between Kamloops and the Alberta border.	Several Trans-Canada four-laning projects are underway, including Phase 4 of the Kicking Horse Canyon Project. More information can be found on the Ministry's web site at http://www.th.gov.bc.ca/highwayprojects/bchwy1/index.html, and on Page 17 of this report.
9. Continue consultations and planning for the replacement of the Massey Tunnel.	Planning work for this project is ongoing with construction expected to begin in 2017.
10. Initiate and consult on a transportation strategy for Vancouver Island that would improve the movement of people and goods by land, rail, air and sea. This strategy would involve continued safety improvements along the Malahat highway and continued encouragement of the federal government to restore passenger rail service to the Island.	The Ministry led off consultations for B.C. on the Move, our 10-year transportation plan, by meeting with stakeholders across Vancouver Island in early September to discuss local transportation priorities. The results of this consultation were included in the plan. On the Malahat Highway, median barriers have been placed along many sections, and this work is ongoing. The Province has committed $7 million to restore passenger rail service on Vancouver Island. This funding is available subject to all funding partners confirming their commitments and, through a formal tender process, confirming the work can be completed within the allotted budget and meets industry safety standards.